



MURRAY



A CITIZEN'S GUIDE TO THE
2019 BUDGET



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A MESSAGE FROM YOUR CITY COUNCIL

We are pleased to present this Citizen's Guide to the 2019 Budget as a summary of how your tax dollars will be managed over the next year. This Guide is focused on providing useful information about your city's government operations, services, programs, and budget in a format that is inviting and easy-to-read.

The budget is focused on three priorities that ensure you, our citizens, receive essential city services.

These priorities are:

- 1 Safeguarding our community with well-trained and experienced public safety personnel;
 - 2 Maintaining the City's current assets to ensure their maximum useful life; and
 - 3 Continuing to improve the community by investing in new capital projects as needed.
- 3 To continue to provide essential services as well as maintain and improve our city, we are proposing to increase revenues through property tax, all of which will go directly to support the cost of our

police and fire departments.

The City has not realized a property tax increase in the past 12 years, yet the cost of providing services and infrastructure has increased considerably. More information about this change is discussed in the Property Tax section of this Guide.

If you want to review the entire budget document, it can be accessed through the City website at www.murray.utah.gov, or by emailing your request to finance@murray.utah.gov.

We remain optimistic about the future of Murray City, and look forward to many changes and improvements in the coming years as we work together.

We share the common goal of assuring the our city is a safe and vibrant community we are proud to call home.

Sincerely,
Your City Council

Dave Nicponski, Dale Cox, Jim Brass, Diane Turner, and Brett Hales

GENERAL FUND



BUDGET PRIORITIES

- 1 Public safety
- 2 Maintenance of the community's assets
- 3 Improvements to the community

AA

AA RATING

Standard and Poor's upgraded the City's credit rating to AA from AA- in 2018.



FINANCIAL EXCELLENCE

The City received the Government Finance Officers Association award for excellence in financial reporting for the FY2017 Comprehensive Annual Financial Report.

2019 GENERAL FUND BUDGET

	2018 Amended Budget *	2019 Proposed Budget	% Change	Change
REVENUE				
Sales tax	\$ 19,208,702	\$ 20,325,000	6%	\$ 1,116,298
Other	13,806,779	13,599,899	-1%	(206,880)
Property tax	6,173,908	9,096,000	47%	2,922,092
Transfers in	4,137,389	4,161,725	1%	24,336
Use of reserves	680,741	576,282	-15%	(104,459)
	44,007,519	47,758,906		3,751,387
EXPENSE				
Public safety	20,671,825	22,994,895	11%	2,323,070
Capital projects	4,857,103	5,510,000	13%	652,897
Parks & recreation	6,001,694	6,372,050	6%	370,356
General government	5,688,176	5,715,834	0%	27,658
Public works	4,773,076	4,672,119	-2%	(100,957)
Debt payments	2,015,645	2,494,008	24%	478,363
	\$ 44,007,519	\$ 47,758,906		\$ 3,751,387

* For comparison purposes, excludes \$5.8 million of debt issued for the construction of the Fire Station 81.

PROPERTY TAX

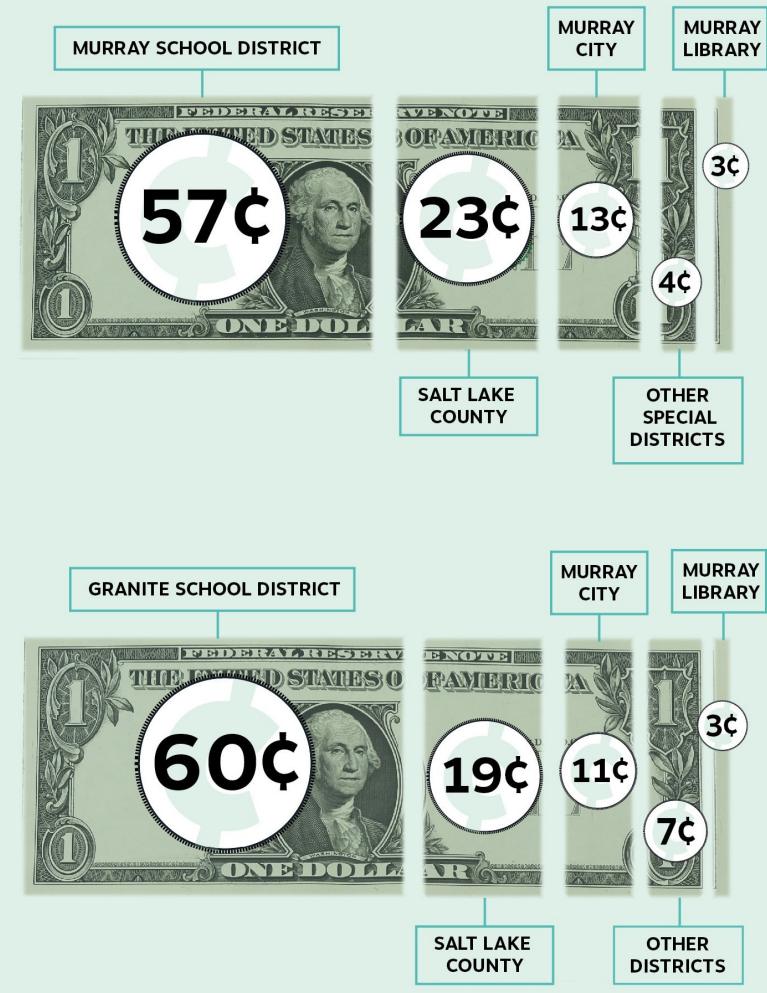
Utah state law requires the City's property tax revenue remain unchanged from year to year (except for new growth).

Because property tax values change each year, the tax rate is adjusted to make sure the City gets the same revenue it received the

previous year unless the City goes through a public process declaring the revenue is insufficient for its needs. This process is called Truth-in-Taxation.

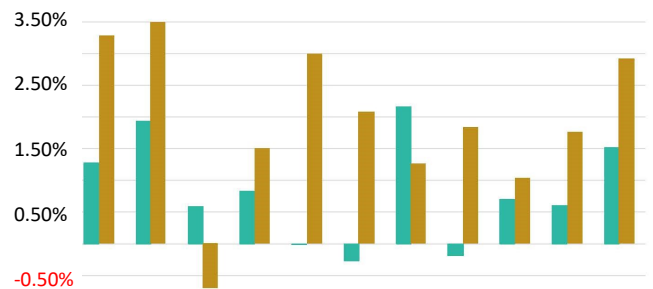
This year's budget includes a property tax increase of 45%. This is the first increase the City has requested since 2006, and it will be used to support public safety.

YOUR PROPERTY TAX DOLLAR



REVENUE CHANGE TO INFLATION

The chart below illustrates the increase or decline of the City's property tax revenue for each fiscal year since the last increase in 2006, and compares it to the rate of inflation for the same year.



This is an illustration of how your property tax dollar is distributed. Between 11% - 13% of your tax dollar goes to the City. So if the City increases property tax revenue by 45%, that really means 45% of 11% which translates to a 5% change in your total tax bill.

HOW MUCH WILL THIS CHANGE COST ME?



An increase to the total property tax bill of
\$34.77 A YEAR PER \$100,000
of assessed market value
(not taxable value)

An increase of approximately
5% - 6%
of resident's total property tax bill



MURRAY

GENERAL FUND BUDGET

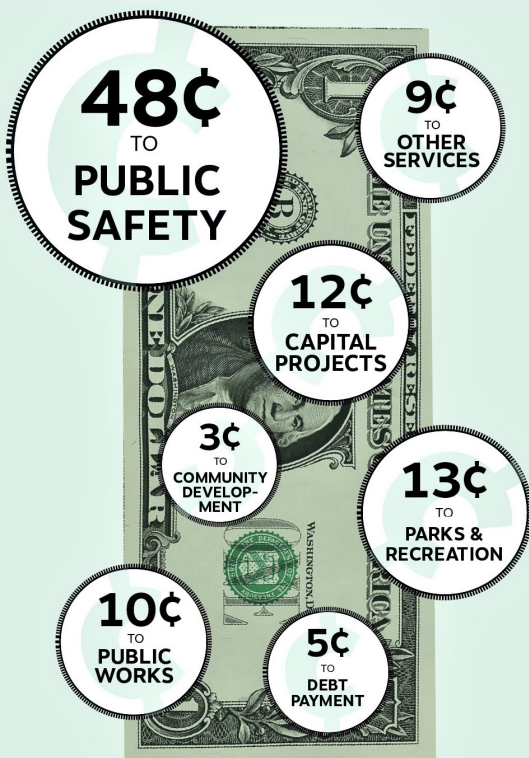
WHERE DOES THE MONEY COME FROM?

This chart presents the City's budgeted revenues by source for fiscal year 2019 in cents to provide an easy-to-understand summary of activity (e.g. sales tax makes up 47¢ of every \$1 received). The City's revenue budget is increasing \$3.65 million (or 9%) compared to the previous year's budget. A change to the property tax mill levy rate makes up \$2.9 million of the increase, and sales tax revenue makes up the rest.



FY 2019 REVENUE SUMMARY

WHERE DOES THE MONEY COME FROM?



This chart displays the City's budgeted expenses for fiscal year 2019. The city's budgeted expenses increased \$3.75 million (or 9%) compared to the previous year's budget.

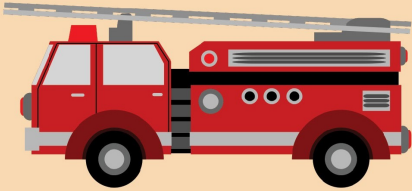
The increase is dedicated to support public safety (\$2.3 million), maintenance of the City's assets (streets, parks, sidewalks, facilities, etc), and debt service for the construction of a new fire station (\$480,000)



FY 2019 EXPENSE SUMMARY

PUBLIC SAFETY

OUR PRIORITY IS PUBLIC SAFETY



A long-term plan for vehicle and equipment replacement has been included in the budget.

REPLACEMENT COST:

\$425,000 **\$750,000**
PER YEAR **PER YEAR**

Last year's budget included funds for a compensation study. This study was completed in April 2018, and it identified many positions that were being paid under market.

This year's budget brings those employees up to the average market for both their experience and position. This important change was made to protect our investment in a trained and professional workforce in a highly competitive environment.

You've both seen and heard the news that many of our surrounding cities are adding officers or creating their own police departments this coming year. We deemed it critical that our public safety professionals be fairly compensated.

The entire property tax increase is dedicated to support public safety.

THE BUDGET INCLUDES THE FOLLOWING NEW POSITIONS IN PUBLIC SAFETY:



POLICE
OFFICER



OFFICE
ADMINISTRATOR



2-CROSSING
GUARDS



BATTALION
FIRE CHIEF

COST OF PUBLIC SAFETY

	2018 Budget	2019 Budget	% Change	Change
PERSONNEL & OPERATIONS				
Police	\$ 11,284,156	\$ 12,332,758	9%	\$ 1,048,602
Fire	7,810,478	8,979,496	15%	1,169,018
Courts / Prosecutor	1,577,191	1,682,641	7%	105,450
	20,671,825	22,994,895	11%	2,323,070
EQUIPMENT & FACILITIES				
Police vehicles & equipment	366,000	425,000	16%	59,000
Fire vehicles & equipment	225,000	750,000	233%	525,000
	591,000	1,175,000	99%	584,000
TOTAL	\$ 21,262,825	\$ 24,169,895	14%	\$ 2,907,070



ABOUT TWO IN EVERY
FIVE CITY EMPLOYEES
WORKS FOR THE POLICE
OR FIRE DEPARTMENT.



ARTS, PARKS, & RECREATION

For the 2019 budget, the City developed a long-term plan for infrastructure maintenance and replacement for the things like playgrounds, facilities, and equipment. This plan dedicates about \$1.5 - \$2.0 million per year for this activity.

OUR PRIORITY IS ARTS, PARKS, & RECREATION



CAPITAL PROJECTS FOR 2019

The following projects have been included in the 2019 budget for parks improvements.

- Replacement of the Willow Pond East and North playgrounds
- Replacement of the parking lot at the outdoor pool
- Replacement of the softball field lights in Murray Park
- Phase I of the Murray Park Pavilion projects (multi-year project)

COMPLETED PROJECTS

- Acquisition of the Murray Mansion
- New pickleball courts
- Reconstruction of the Murray Amphitheater
- Path resurfacing at Murray Park and Jordan Parkway
- Construction of the Canal Trail from Wheeler Farm to Fontaine Bleu

THE BUDGET INCLUDES THE FOLLOWING NEW POSITION IN PARKS



MAINTENANCE
WORKER

OUR PRIORITY IS YOUR STREETS & SIDEWALKS



THE BUDGET INCLUDES THE FOLLOWING NEW POSITION IN STREETS



GIS ANALYST

The state-imposed gas tax contributes about \$1.8 million per year to the City for road maintenance. The amount received each year is based on the number of lane miles within the City. In addition to this

state funding, the City budgets an additional \$4 - \$5 million per year for the operation, maintenance and construction of streets and sidewalks. The total budget for streets has remained unchanged since 2010.

STREET PROJECTS FOR 2019

The following street and sidewalk projects have been included in the 2019 budget.

\$1,300,000
for paving projects

\$560,000
for sidewalk and curb and
gutter projects

* A complete list of projects can be found in the budget document at www.murray.utah.gov.

\$1,250,000
for other projects

4800 S and Commerce Drive
(Signal)

6100 S 150 E
(Crosswalk and LED flashers)

Marjane Ave and Circle
(Rebuild)

Vine Street, 900 E—1300 E
(Grant-funded, includes bike lanes)

1350 E 6400 South
(Bridge replacement)

FREQUENTLY ASKED QUESTIONS

Why is the tax increase needed?

Between 2008 and 2016, the City operated with considerably reduced revenues stemming from the economic downturn. In 2016, the City finally recovered to the same annual revenue amount it received in 2007. During those years, inflation increased an average of 2%-3% per year meaning costs increased but the City's revenues remained reduced.

City focused all its resources on providing the same levels of service and maintaining the City's infrastructure (e.g. parks, roads, sidewalks, facilities) within these financial restraints, however, this approach purposely focused resources to items that required attention and delayed normal infrastructure maintenance and compensation issues.

It has been over a decade since 2008, and it has become important for the City to find a solution to funding infrastructure maintenance and protect its investment in a trained and professional workforce.

The City has included a 5-year infrastructure maintenance and replacement program in this year's budget. This program requires annual funding of \$5.1 million per year. Without this tax increase, the City will not be able to budget for this program and the City's assets will continue to age without the proper maintenance which leads to the increased cost of replacement.

In addition, the City recognizes its greatest asset is its workforce. Knowing the increasing competitive environment for trained professionals (especially in law enforcement), the City commissioned a comprehensive compensation study to protect its investment. The study identified the City's compensation structure as below average when compared to other similar agencies. As such, the City has adopted a compensation plan and adjusted employee wages to the average market for their experience and position.

All of the property tax increase will be directly used to support the police and fire departments.

Why have my property taxes gone up if the City hasn't raised them?

There are two possible reasons for the change. The first is that another taxing entity (school district or Salt Lake County) has gone through the Truth-in-Taxation process and raised their rates on one or more years which would increase your taxes. The second is that your property has increased in value more than other properties. When the property value of the City increases, the tax rate automatically decreases which gives the City the same revenue from year to year. However, if your property increases in value at a rate higher than the tax rate decreased then you will see a tax increase. The City will not see that increase because another property's value would have decreased or become tax-exempt which would mean a tax decrease, and result in no change to the City revenue.

Are property taxes affected by inflation?

No. To adjust property taxes, the City must initiate a public hearing process called Truth-in-Taxation and decide whether the adjustment is necessary.

What are general gov't services in the General Fund Budget?

General gov't services include Council, Mayor, City Attorney, Human Resources, Finance, Development Services, IT, GIS, and other similar administrative services.

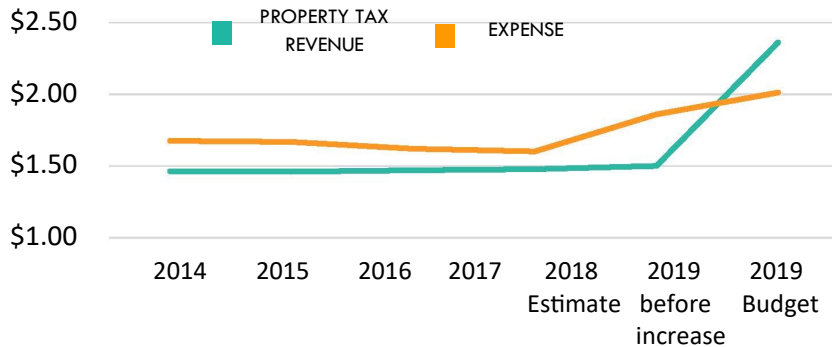
LIBRARY

The Murray City Library is a friendly hometown library funded by the citizens through a dedicated property tax. By having our own library, Murray citizens are not taxed by Salt Lake County for library services and as a result have a lower tax bill. However due to cooperative agreements, Murray residents are still able to use the other library systems.

Just like the City's property tax, the Library's property tax revenue has remained unchanged since 2006.

The rate is automatically adjusted to collect the same amount as the previous year apart from new growth.

PROPERTY TAX REVENUE TO EXPENSE



This chart illustrates that for the past several years, the Library's expenses have outpaced property tax revenue which is the primary reason the Library Board recommended an increase.

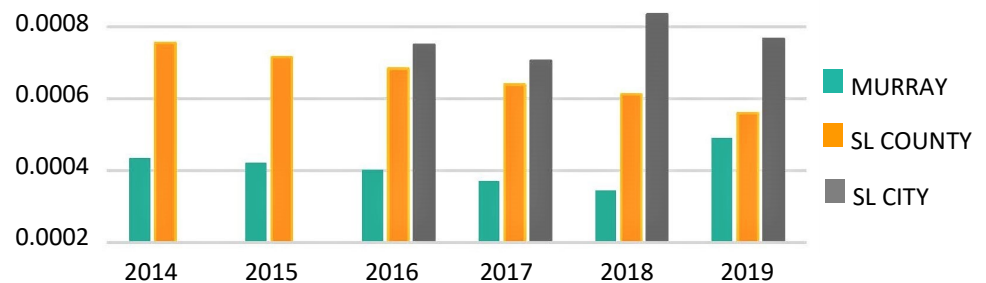


PROPERTY TAX INCREASE

The Library Board has recommended a rate increase to address the impacts of inflation over the past 12 years, and to begin building reserves to support the construction of a new library in 3-5 years.

The City does not currently own the land where the Library is located, and space for expansion is limited. If the City does not choose to relocate the Library, extensive building improvements will still be required.

PROPERTY TAX RATE COMPARISON



HOW MUCH WILL THIS CHANGE COST ME?



An increase to the total property tax bill of
\$10.30 A YEAR PER \$100,000
 of assessed market value
 (not taxable value)

An increase of approximately
1.5%
 of resident's total property tax bill



CAPITAL IMPROVEMENT PLAN

5-YEAR CAPITAL IMPROVEMENT PLAN

One of the biggest challenges a city faces is how to fund the maintenance of their streets, parks, facilities, vehicles, and equipment at an appropriate level.

Over the past year, the City has worked to develop and plan for a multi-year capital plan to address these needs.

Below is the 5-year plan which has been included in the FY 2019 budget.

**\$2.3 MILLION
FOR VEHICLE &
EQUIPMENT
REPLACEMENT**



**\$1.2 MILLION
FOR PARK
PROJECTS &
MAINTENANCE**



**\$700,000
FOR FACILITIES
MAINTENANCE**



**\$1-2 MILLION
FOR OTHER CITY
IMPROVEMENTS
& CONSTRUCTION**



**\$3 MILLION
FOR STREET
PROJECTS &
MAINTENANCE**



**\$250,000
FOR GOLF
COURSE
EQUIPMENT**



A complete list of projects is included in the budget document on the City's website at www.murray.utah.gov.

UTILITY FUNDS

The City provides water, wastewater (sewer), power, solid waste (garbage and recycling), and storm water utilities to its citizens.

The total budgeted revenue for utilities is almost \$60.7 million for fiscal year 2019.

Operational and capital budgets increased between 4 % and 7% from the previous year as a result of inflationary cost increases. There are several large utility projects planned for the next year. These projects will be financed with an \$8.6 million water bond and paid back over 20 years.

FY 2019 UTILITY BUDGETS

	Water	Waste-water	Power	Solid Waste	Storm Water
REVENUE					
Charges for services	\$6,451,117	\$5,143,125	\$36,933,125	\$1,695,000	\$1,880,000
Bond proceeds	8,600,000	-	-	-	-
	15,051,117	5,143,125	36,933,125	1,695,000	1,880,000
EXPENSE					
Operations	4,866,094	3,712,462	37,184,575	1,870,436	1,287,139
Capital	2,952,256	2,698,000	3,845,000	35,000	453,000
Debt	986,856	745,326	-	-	374,842
	\$8,805,206	\$7,155,788	\$41,029,575	\$1,905,436	\$2,114,981

IMPROVEMENT PROJECTS

- Water: Two well replacements, waterline upsizing
- Wastewater: Walden Glen lift station
- Power: Substation rebuild
- Storm water: Drain line upsizing
- Utilities: \$1.1 million in equipment replacement



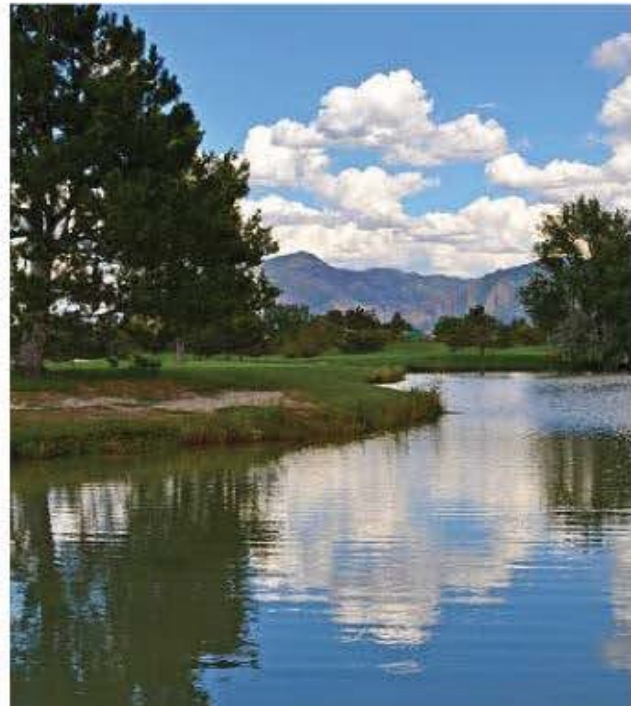
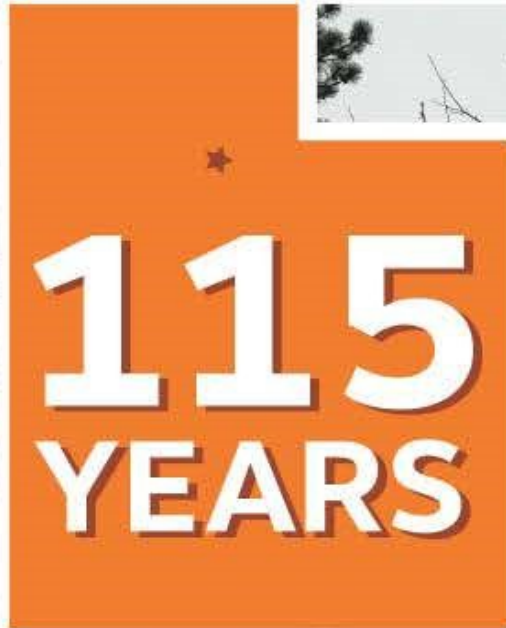
ADDITIONAL POSITIONS FOR UTILITIES



ELECTRICIAN



2- APPRENTICE
LINEWORKERS



OUR PRIORITY IS
YOU



www.murray.utah.gov

5025 South State Street
Murray, UT 84107